



**ASCOTT RESIDENCE TRUST
UNAUDITED RESULTS FOR THE PERIOD
ENDED 30 SEPTEMBER 2009
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ASCOTT RESIDENCE TRUST
2009 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

Summary of Group Results

	3Q 2009 S\$'000	3Q 2008 S\$'000	Better/ (Worse) %	YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000	Better/ (Worse) %
Revenue	44,370	53,212	-17	129,465	145,176	-11
Gross Profit	22,001	28,020	-21	62,697	75,076	-16
Unitholders' Distribution	11,823	15,858	-25	33,675	43,344	-22
Distribution Per Unit (cents)	1.92	2.61	-26	5.47	7.12	-23

ASCOTT RESIDENCE TRUST

2009 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT

INTRODUCTION

Ascott Residence Trust (“Ascott Reit”) was established under a trust deed dated 19 January 2006 entered into between Ascott Residence Trust Management Limited (as manager of Ascott Reit) (the “Manager”) and DBS Trustee Limited (as trustee of Ascott Reit) (the “Trustee”).

Ascott Reit’s objective is to invest primarily in real estate and real estate related assets which are income-producing and which are used, or predominantly used as serviced residences or rental housing properties in the Pan-Asian Region.

Ascott Reit was directly held by The Ascott Group Limited up to and including 30 March 2006 (the “Private Trust”). On 31 March 2006 (the “Listing Date”), Ascott Reit was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) with an initial portfolio of 12 properties (“Initial Properties”) with 2,068 apartment units in 7 cities across five countries (Singapore, China, Indonesia, the Philippines and Vietnam).

At 30 September 2009, Ascott Reit’s portfolio comprises 38 properties with 3,644 apartment units in 11 cities across seven countries (Singapore, Australia, China, Indonesia, Japan, the Philippines and Vietnam).

Ascott Reit makes distributions to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Distributions are paid in Singapore dollar.

1(a)(i) **CONSOLIDATED STATEMENT OF TOTAL RETURN**

	Note	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
		3Q 2009 S\$'000	3Q 2008 S\$'000		YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000	
Revenue	A.1	44,370	53,212	-17	129,465	145,176	-11
Direct expenses	A.2	(22,369)	(25,192)	11	(66,768)	(70,100)	5
Gross Profit	A.1	22,001	28,020	-21	62,697	75,076	-16
Finance income		165	259	-36	490	753	-35
Other operating income		87	42	107	485	82	491
Finance costs	A.3	(5,788)	(5,605)	-3	(17,583)	(15,025)	-17
Manager's management fees		(1,858)	(2,140)	13	(5,525)	(6,019)	8
Trustee's fee		(49)	(50)	2	(149)	(151)	1
Professional fees		(279)	(237)	-18	(733)	(983)	25
Audit fees		(205)	(248)	17	(678)	(650)	-4
Foreign exchange loss / (gain) - realised		57	(389)	n.m.	(297)	(530)	44
Other operating expenses		52	(364)	n.m.	(179)	(706)	75
Share of loss of associate (net of tax)		0	0	0	(4)	(43)	91
Net income before change in fair value of financial derivatives and serviced residence properties, and unrealised foreign exchange loss		14,183	19,288	-26	38,524	51,804	-26
Net change in fair value of financial derivatives	A.4	(2,675)	2,816	n.m.	(2,036)	(1,300)	-57
Change in value of serviced residence properties	A.5	0	0	0	(61,025)	0	n.m.
Foreign exchange (loss) / gain - unrealised	A.6	(1,007)	2,829	n.m.	3,372	(1,617)	n.m.
Total return for the period before tax		10,501	24,933	-58	(21,165)	48,887	n.m.
Income tax expense	A.7	(4,619)	(4,428)	-4	(9,540)	(10,183)	6
Total return for the period after tax		5,882	20,505	-71	(30,705)	38,704	n.m.
Attributable to:							
Unitholders		4,336	19,105		(34,556)	34,339	
Minority interests		1,546	1,400		3,851	4,365	
Total return for the period		5,882	20,505	-71	(30,705)	38,704	n.m.

RECONCILIATION OF TOTAL RETURN FOR THE PERIOD ATTRIBUTABLE TO UNITHOLDERS TO TOTAL UNITHOLDERS' DISTRIBUTION

	Note	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
		3Q 2009 S\$'000	3Q 2008 S\$'000		YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000	
Total return for the period attributable to unitholders		4,336	19,105	-77	(34,556)	34,339	n.m.
Net effect of non-tax deductible / chargeable items and other adjustments	A.8	7,487	(3,247)	n.m.	68,231	9,005	652
Total amount distributable to Unitholders for the period		11,823	15,858	-25	33,675	43,344	-22
Comprises :							
- from operations		746	10,968		4,866	17,489	
- from unitholders' contributions		11,077	4,890		28,809	25,855	
		11,823	15,858	-25	33,675	43,344	-22

1(a)(ii) Explanatory Notes to Consolidated Statement of Total Return

A.1 Revenue and Gross profit

As compared to 3Q 2008, revenue and gross profit in 3Q 2009 decreased by S\$8.8 million (17%) to S\$44.4 million and S\$6.0 million (21%) to S\$22.0 million respectively. The decrease in operating performance was mainly due to weaker demand of serviced residences in Singapore and China, partially offset by contribution from Somerset West Lake acquired subsequent to 3Q 2008. The lower performance as compared to 3Q 2008 was a result of the global economic slowdown, increased competition from new supply in Beijing and Shanghai, and the strong performance in August 2008 due to the Beijing Olympics.

Refer to Para 8(i)(a) for more detailed analysis.

A.2 Direct expenses include the following items:

	GROUP		Better / (Worse) % +/-	GROUP		Better / (worse) % +/-
	3Q 2009 S\$'000	3Q 2008 S\$'000		YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000	
Depreciation and amortisation	(1,538)	(1,372)	-12	(4,694)	(3,955)	-19
Staff costs	(3,959)	(4,440)	11	(11,486)	(12,653)	9

A.3 Finance costs

Finance costs for 3Q 2009 increased by S\$0.2 million (3%) as compared to 3Q 2008. S\$0.1 million of the increase was due to higher interest rates while S\$0.1 million of the increase was due to bank loan taken up for the acquisition of one property subsequent to 3Q 2008.

A.4 Net change in fair value of financial derivatives

The 3Q 2009 loss of \$2.7 million relates to unrealised changes in the fair value of (1) a cross currency swap, entered into to effectively convert a subsidiary's US\$ bank loan to S\$ bank loan at the Group level and (2) an interest rate knockout cap, entered into by a subsidiary to hedge floating rate loans.

A.5 Change in value of serviced residence properties

This relates to the deficit on revaluation of serviced residence properties, done previously on 30 June 2009 by HVS International Pte Ltd. There was no decline in the value of serviced residence properties for the period ended 30 Sep 2008.

A.6 Foreign exchange (loss) / gain - unrealised

The foreign exchange loss recognised in 3Q 2009 was mainly due to (1) unrealised revaluation loss on foreign currency shareholder's loans, mainly denominated in US Dollar ("US\$"), extended to the Group's subsidiaries, as a result of the depreciation of the US\$ against S\$ and (2) unrealised revaluation loss on US\$ shareholder's loan in Philippines subsidiary's books, as a result of the appreciation of US\$ against Peso, partly offset by (3) unrealised revaluation gain on S\$ bank loan in Australia subsidiary's books, as a result of the appreciation of A\$ against S\$.

A.7 Income tax expense

Taxation for 3Q 2009 was higher as compared to the corresponding period last year. This was mainly due to reversal of deferred tax asset over recognized in prior year, partly offset by lower current tax provided on lower operating profit achieved.

A.8 Net effect of non-tax deductible / (chargeable) items and other adjustments include the following items:

	GROUP		Better / (Worse) % +/-	GROUP		Better / (Worse) % +/-
	3Q 2009 S\$'000	3Q 2008 S\$'000		YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000	
Trustee's fees*	12	12	-	37	37	-
Depreciation	1,538	1,372	-12	4,694	3,955	-19
Net change in fair value of financial derivatives (Note A.4)	2,675	(2,816)	n.m.	2,036	1,300	-57
Change in value of serviced residence properties	-	-	n.m.	61,025	-	n.m.
Unrealised exchange loss / (gain) (Note A.6)	1,007	(2,829)	n.m.	(3,372)	1,617	n.m.
Manager's management fee payable / paid partially in units	929	1,069	13	2,762	3,009	8
Income tax expense	2,187	-	n.m.	3,162	-	n.m.
Minority interests	(250)	(108)	-131	(1,251)	(315)	-297

* This relates to the Singapore properties only and is not tax deductible.

1(b)(i) BALANCE SHEET

	Note	GROUP		REIT	
		30/9/09 S\$'000	31/12/08 S\$'000	30/9/09 S\$'000	31/12/08 S\$'000
Non-Current Assets					
Plant and equipment		27,735	27,637	3,452	3,478
Serviced residence properties	1(b)(ii)	1,526,095	1,565,309	393,880	400,022
Interest in subsidiaries		-	-	112,638	105,827
Interest in associate		3,568	3,568	4,032	4,028
Financial derivatives		221	-	-	-
Deferred tax assets		730	2,838	-	-
		1,558,349	1,599,352	514,002	513,355
Current Assets					
Inventories		361	491	-	-
Trade receivables		4,849	5,701	625	1,295
Other receivables and deposits		23,613	25,950	659,924	652,527
Cash and bank balances		49,926	56,110	4,234	11,895
		78,749	88,252	664,783	665,717
Total Assets		1,637,098	1,687,604	1,178,785	1,179,072
Non-Current Liabilities					
Interest bearing liabilities	1(b)(iii)	(514,875)	(506,918)	(155,789)	(141,240)
Financial derivatives	1(b)(iv)	(17,794)	(15,521)	(13,606)	(11,638)
Deferred tax liabilities		(8,185)	(3,665)	-	-
		(540,854)	(526,104)	(169,395)	(152,878)
Current Liabilities					
Trade payables		(2,460)	(2,983)	(256)	(56)
Other payables		(66,105)	(72,034)	(36,678)	(39,459)
Interest bearing liabilities	1(b)(iii)	(134,771)	(117,515)	(128,691)	(92,868)
Provision for taxation		(5,584)	(4,004)	(632)	(570)
		(208,920)	(196,536)	(166,257)	(132,953)
Total Liabilities		(749,774)	(722,640)	(335,652)	(285,831)
Net Assets		887,324	964,964	843,133	893,241
Represented by:					
Unitholders' funds	1(d)(i)	813,793	899,030	843,133	893,241
Minority interests	1(d)(i)	73,531	65,934	-	-
Total Equity	1(d)(i)	887,324	964,964	843,133	893,241

1(b)(ii) Serviced residence properties

The decrease in the Group's serviced residence properties as at 30 September 2009 was mainly due to the decrease in the valuation of properties and the foreign currency differences arising from translating the Group's overseas serviced residence properties, held by subsidiaries with non-Singapore dollar functional currencies, to Singapore dollar at lower exchange rates as a result of the weakening of these foreign currencies, particularly Japanese Yen and Philippines Peso, against Singapore dollar for the relevant period. The decrease was partially offset by the acquisition of Somerset West Lake in Vietnam.

1(b)(iii) Interest bearing liabilities

	GROUP		REIT	
	30/9/09 S\$'000	31/12/08 S\$'000	30/9/09 S\$'000	31/12/08 S\$'000
Amount repayable in one year or less or on demand				
- Secured	6,080	23,927	-	-
- Unsecured	128,789	93,613	128,789	92,893
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured and unsecured loans	(98)	(25)	(98)	(25)
	134,771	117,515	128,691	92,868
Amount repayable after one year				
- Secured	510,883	510,375	149,524	141,526
- Unsecured	6,452	-	6,452	-
Less: Fees and expenses incurred for debt raising exercises amortised over the tenure of secured loans	(2,460)	(3,457)	(187)	(286)
	514,875	506,918	155,789	141,240
Total	649,646	624,433	284,480	234,108

Details of collateral

The borrowings of the Group are generally secured by:

- Mortgage on subsidiaries' serviced residence properties and the assignment of the rights, titles and interests with respect to the properties
- Assignment of rental proceeds of the properties and insurance policies relating to the properties
- Pledge of shares of some subsidiaries
- Corporate guarantee from the Reit

Capital Management

The increase in the Group's borrowings as at 30 September 2009 was mainly due to additional bank loan drawn down for the acquisition of Somerset West Lake.

As at 30 Sep 2009, the Group's gearing was 41.5 percent, well within the 60 percent gearing limit allowable under MAS property fund guidelines, with an average cost of debt of 3.3 percent per annum and an interest cover of 3.5 times. 66 percent of the Group's borrowings are on fixed rate or swapped to fixed rate.

Out of the Group's total borrowings, 22 percent is due for refinancing by December 2010 while 78 percent is due in 2011 and beyond.

1(b)(iv) Financial derivatives

The financial derivatives of S\$17.8 million relates to the fair value of a cross currency swap, entered into to effectively convert a subsidiary's US\$ bank loan to S\$ bank loan at the Group level, and the fair value of interest rate swaps, entered into by subsidiaries to hedge floating rate loans.

1(c) **CONSOLIDATED CASH FLOW STATEMENT**

		GROUP			
Note	3Q 2009 S\$'000	3Q 2008 S\$'000	YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000	
Operating Activities					
	10,501	24,933	(21,165)	48,887	
<u>Adjustments for:</u>					
Depreciation and amortization	1,538	1,372	4,694	3,955	
Loss / (Gain) on disposal of plant and equipment	9	(5)	4	5	
Finance costs	5,788	5,605	17,583	15,025	
Finance income	(165)	(259)	(490)	(753)	
Provision for doubtful debts (written back) / addition	(16)	266	(188)	422	
Manager's management fees payable / paid partially in units	929	1,069	2,762	3,009	
Foreign exchange loss / (gain) - unrealised	1,007	(2,829)	(3,372)	1,617	
Net change in fair value of financial derivatives	2,675	(2,816)	2,036	1,300	
Change in value of serviced residence properties	-	-	61,025	-	
Share of loss of associate	-	-	4	43	
Operating profit before working capital changes	22,266	27,336	62,893	73,510	
Changes in working capital	627	(2,869)	(5,825)	(9,100)	
Cash generated from operations	22,893	24,467	57,068	64,410	
Income tax paid	(1,262)	(3,588)	(4,725)	(9,873)	
Cash flows from operating activities	21,631	20,879	52,343	54,537	
Investing Activities					
Acquisition of plant and equipment	(861)	(3,465)	(3,891)	(8,199)	
Acquisition of subsidiaries, net of cash acquired	(294)	-	(20,920)	-	
Acquisition of serviced residence properties	-	-	-	(37,939)	
Capital expenditure on serviced residence properties	(306)	(880)	(1,748)	(1,326)	
Interest received	165	1,418	490	2,118	
Proceeds from sale of plant and equipment	-	10	29	12	
Cash flows from investing activities	(1,296)	(2,917)	(26,040)	(45,334)	
Financing Activities					
Distribution to unitholders	(21,834)	(27,500)	(47,977)	(52,355)	
Dividend paid to minority shareholders	(959)	(2,451)	(1,565)	(2,582)	
Interest paid	(7,445)	(7,050)	(19,247)	(16,674)	
Proceeds from bank borrowings	28,734	124,003	87,193	189,644	
Proceeds from issue of new units	952	974	2,882	2,721	
Repayment of bank borrowings	(26,962)	(117,070)	(53,747)	(144,194)	
Cash flows from financing activities	(27,514)	(29,094)	(32,461)	(23,440)	
Decrease in cash & cash equivalents	(7,179)	(11,132)	(6,158)	(14,237)	
Cash and cash equivalents at beginning of the period	57,083	59,798	56,110	64,515	
Effect of exchange rate changes on balances held in foreign currencies	22	881	(26)	(731)	
Cash and cash equivalents at end of the period	49,926	49,547	49,926	49,547	

1(d)(i) **STATEMENT OF CHANGES IN EQUITY**

	Note	GROUP		GROUP	
		3Q 2009 S\$'000	3Q 2008 S\$'000	YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000
<u>Unitholders' Contribution</u>					
Balance as at beginning of period		786,897	811,817	793,025	810,070
Issue of new units		952	974	2,882	2,721
Distribution to Unitholders		(17,714)	(20,979)	(25,772)	(20,979)
Balance as at end of period		770,135	791,812	770,135	791,812
<u>Operations</u>					
Balance as at beginning of period		41,803	163,659	98,780	173,280
Total return for the period attributable to Unitholders		4,336	19,105	(34,556)	34,339
Distribution to Unitholders		(4,120)	(6,521)	(22,205)	(31,376)
Balance as at end of period		42,019	176,243	42,019	176,243
<u>Foreign Currency Translation Reserve</u>					
Balance as at beginning of period		9,746	(20,272)	9,659	(9,919)
Translation differences relating to financial statements of foreign subsidiaries		(5,363)	14,388	(5,276)	4,035
Balance as at end of period		4,383	(5,884)	4,383	(5,884)
<u>Capital Reserve</u>					
Balance as at beginning of period		1,461	468	1,449	480
Translation adjustment		(16)	27	(4)	15
Balance as at end of period		1,445	495	1,445	495
<u>Hedging Reserve</u>					
Balance as at beginning of period		(2,656)	(354)	(3,883)	(970)
Change in fair value of financial derivatives		(1,533)	(849)	(306)	(233)
Balance as at end of period		(4,189)	(1,203)	(4,189)	(1,203)
Unitholders' Funds	1(b)(i)	813,793	961,463	813,793	961,463
<u>Minority Interests</u>					
Balance as at beginning of period		73,637	64,826	65,934	65,672
Translation differences relating to financial statements of foreign subsidiaries		(1,652)	(208)	3,746	(4,019)
Total return for the period		1,546	1,400	3,851	4,365
Balance as at end of period	1(b)(i)	73,531	66,018	73,531	66,018
Equity	1(b)(i)	887,324	1,027,481	887,324	1,027,481

1(d)(i) **STATEMENT OF CHANGES IN EQUITY**

	Note	REIT		REIT	
		3Q 2009 S\$'000	3Q 2008 S\$'000	YTD Sep 2009 S\$'000	YTD Sep 2008 S\$'000
Unitholders' Contribution					
Balance as at beginning of period		786,897	811,817	793,025	810,070
Issue of new units		952	974	2,882	2,721
Distribution to Unitholders		(17,714)	(20,979)	(25,772)	(20,979)
Balance as at end of period		770,135	791,812	770,135	791,812
Operations					
Balance as at beginning of period		79,611	65,931	100,216	105,970
Total return for the period attributable to Unitholders		(2,493)	19,677	(5,013)	4,493
Distribution to Unitholders		(4,120)	(6,521)	(22,205)	(31,376)
Balance as at end of period		72,998	79,087	72,998	79,087
Unitholders' Funds	1(b)(i)	843,133	870,899	843,133	870,899

1(d)(ii) **Details of any change in the units**

	REIT			
	3Q 2009 '000	3Q 2008 '000	YTD Sep 2009 '000	YTD Sep 2008 '000
Balance as at beginning of period	615,042	607,530	610,814	606,227
Issue of new units : - partial payment of manager's management fees	1,065	881	5,293	2,184
Balance as at end of period	616,107	608,411	616,107	608,411

2. **Whether the figures have been audited, or reviewed and in accordance with the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements)**

The figures have not been audited or reviewed by our auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied**

Except for the adoption of the Amendments to FRS 32 and FRS 1 (refer to item 5 below), the accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2008.

5. **If there are any changes in the accounting policies and methods of computation required by an accounting standard, what has changed, as well as the reasons for the change**

In January 2009, the Group and the REIT have adopted the Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in the net assets attributable to unitholders of the Group (including the units in issue of the REIT) being classified as equity instead of a financial liability.

This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the Group's and REIT's statements of total return.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in:

	GROUP		REIT	
	30/9/09 S\$'000	31/12/08 S\$'000	30/9/09 S\$'000	31/12/08 S\$'000
Decrease in net assets attributable to unitholders	(813,793)	(899,030)	(843,133)	(893,241)
Increase in Unitholder's Funds	813,793	899,030	843,133	893,241
	-	-	-	-

As a consequent change, minority interests have also been reclassified from non-current liabilities to equity in the consolidated financial statement of the Group.

Except for the above changes, there are no other changes to the accounting policies and methods of computation adopted by the Group and the REIT.

6. Earnings per unit ("EPU") and distribution per unit ("DPU") for the financial period

In computing the EPU, the weighted average number of units for the period is used for the computation.

In computing the DPU, the number of units as at the end of each period is used for the computation.

	3Q 2009	3Q 2008	YTD Sep 2009	YTD Sep 2008
Earnings per unit (EPU)(cents)				
Number of units on issue at end of period	616,106,829	608,411,063	616,106,829	608,411,063
Weighted average number of units for the period	615,724,977	608,114,288	613,859,565	607,290,461
EPU (cents) – Basic and Diluted (based on the weighted average number of units for the period)	0.70	3.14	(5.63) ¹	5.65

The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the period.

Note 1: Negative EPU for YTD September 2009 was mainly due to the deficit on revaluation of serviced residence properties, done previously on 30 June 2009 by HVS International Pte Ltd. There was no decline in the value of serviced residence properties for the period ended 30 Sep 2008.

	3Q 2009	3Q 2008	YTD Sep 2009	YTD Sep 2008
Distribution per unit (DPU)(cents)				
Number of units on issue at end of period	616,106,829	608,411,063	616,106,829	608,411,063
DPU (cents) – Basic and diluted	1.92	2.61	5.47	7.12

The diluted DPU is the same as the basic DPU as there were no dilutive instruments in issue during the period.

7. Net asset value ("NAV") backing per unit based on issued units at the end of the period

	Group		REIT	
	30/9/09	31/12/08	30/9/09	31/12/08
NAV per unit (\$)	1.32	1.47	1.37	1.46

8(i) **GROUP PERFORMANCE REVIEW**

8(i)(a) **Revenue and Gross Profit Analysis – 3Q 2009 vs. 3Q 2008**

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
		3Q 2009	3Q 2008	Better/ (Worse)			3Q 2009	3Q 2008	Better/ (Worse)		3Q 2009	3Q 2008	Better / (worse) +/-
		S\$'M	S\$M	%		S\$'M	S\$'M	%		S\$/day	S\$/day	%	
Australia		1.8	2.3	(0.5)	-22		0.4	0.5	(0.1)	-20	121	155	-22
China		9.0	16.7	(7.7)	-46		4.3	9.4	(5.1)	-54	125	223	-44
Indonesia		5.2	5.0	0.2	4		1.9	1.6	0.3	19	71	73	-3
Japan		4.6	4.1	0.5	12		2.8	2.6	0.2	8	168*	148*	14
Philippines		7.0	6.5	0.5	8		2.9	2.6	0.3	12	136	132	3
Singapore		7.1	9.6	(2.5)	-26		3.7	5.7	(2.0)	-35	177	262	-32
Vietnam		9.7	9.0	0.7	8		6.0	5.6	0.4	7	126	140	-10
A.1		44.4	53.2	(8.8)	-17	A.1	22.0	28.0	(6.0)	-21	124	163	-24

* refers to serviced residences in Japan, excludes rental housing

As compared to 3Q 2008, revenue and gross profit in 3Q 2009 decreased by S\$8.8 million (17%) to S\$44.4 million and S\$6.0 million (21%) to S\$22.0 million respectively. The decrease in operating performance was mainly due to weaker demand of serviced residences in Singapore and China, partially offset by contribution from Somerset West Lake acquired subsequent to 3Q 2008. The lower performance as compared to 3Q 2008 was a result of the global economic slowdown, increased competition from new supply in Beijing and Shanghai, and the strong performance in August 2008 due to the Beijing Olympics.

The Group achieved REVPAU of S\$124 in 3Q 2009, a decrease of 24% as compared to 3Q 2008. The reduction in REVPAU was due to reduction in both average daily rates and occupancies at the Group's serviced residences.

For the Group's serviced residences in Australia, revenue decreased by S\$0.5 million or 22% as compared to 3Q 2008. This was due to the closure of apartment units for refurbishment and weakening of market demand from project groups in the IT and mining industries. REVPAU in AUD terms decreased by 8.3% from A\$121 in 3Q 2008 to A\$111 in 3Q 2009. Due to the weakening of AUD against SGD in 3Q 2009 as compared to 3Q 2008, REVPAU in SGD terms reflected a decrease of 22% from S\$155 in 3Q 2008 to S\$121 in 3Q 2009. The Group has also reduced the level of food and beverage operation at Somerset St Georges Terrace to improve profitability. In line with the decrease in revenue, gross profit in 3Q 2009 decreased by S\$0.1 million or 20%.

For the Group's serviced residences in China, revenue decreased by S\$7.7 million or 46% in 3Q 2009 as compared to 3Q 2008. REVPAU decreased by 44% from S\$223 in 3Q 2008 to S\$125 in 3Q 2009. Excluding the positive revenue impact arising from Beijing Olympics in 3Q 2008, revenue for 3Q 2009 decreased by about 15% as compared to 3Q 2008. This was mainly due to lower business traffic coupled with oversupply of serviced residence in Beijing and Shanghai. Gross profit in 3Q 2009 decreased by S\$5.1 million or 54% as compared to Q3 2008 due mainly to the lower revenue.

For the Group's serviced residences in Indonesia, revenue increased by S\$0.2 million or 4% as compared to 3Q 2008 due to the business interruption insurance compensation for the reduction in revenue at Somerset Grand Citra during the pre-rectification period. REVPAU decreased by 3% from S\$73 in 3Q 2008 to S\$71 in 3Q 2009 due to the closure of apartment units at Somerset Grand Citra for rectification works. The loss of revenue from this closure is also covered by business interruption insurance. In line with the increase in revenue, gross profit in 3Q 2009 increased by S\$0.3 million or 19%.

For the Group's serviced residences in Japan, revenue in 3Q 2009 increased by S\$0.5 million or 12% as compared to 3Q 2008. REVPAU achieved for the serviced residences increased by 14% from S\$148 in 3Q 2008 to S\$168 in 3Q 2009 due to the strengthening of JPY against SGD. REVPAU in JPY terms decreased by 5% as compared to 3Q 2008. The rental housing properties continued to achieve high occupancy of 90% and stable rental rates. In line with the increase in revenue, gross profit in 3Q 2009 increased by S\$0.2 million or 8%.

For the Group's serviced residences in The Philippines, revenue increased by S\$0.5 million or 8% as compared to 3Q 2008. REVPAU increased by 3% from S\$132 in 3Q 2008 to S\$136 in 3Q 2009. This was due to the successful launch of the refurbished apartment units of Ascott Makati. In line with the increase in revenue, gross profit in 3Q 2009 increased by S\$0.3 million or 12%.

For the Group's serviced residences in Singapore, revenue decreased by S\$2.5 million or 26% as compared to 3Q 2008. REVPAU decreased by 32% from S\$262 in 3Q 2008 to S\$177 in 3Q 2009. This decrease was due to weaker demand from business travelers across various industries, such as the financial institutions and shipping industry. This resulted in gross profit declining by S\$2.0 million or 35%.

For the Group's serviced residences in Vietnam, revenue in 3Q 2009 increased by S\$0.7 million or 8% and gross profit increased by 7% to S\$0.4 million as compared to 3Q 2008. This was mainly due to the inclusion of Somerset West Lake in the portfolio and higher office and shop rental income. REVPAU decreased by 10% from S\$140 in 3Q 2008 to S\$126 in 3Q 2009.

8(i)(b) Revenue and Gross Profit Analysis - YTD Sep 2009 vs. YTD Sep 2008

	Ref	Revenue				Ref	Gross Profit				REVPAU Analysis		
		YTD Sep 2009	YTD Sep 2008	Better/ (Worse)	%		YTD Sep 2009	YTD Sep 2008	Better/ (Worse)	%	YTD Sep 2009	YTD Sep 2008	Better / (worse) +/-
		S\$'M	S\$'M			S\$'M	S\$'M			S\$/day	S\$/day	%	
Australia		5.5	4.0	1.5	38	1.1	1.0	0.1	10	132	154	-14	
China		25.8	37.3	(11.5)	-31	9.7	18.0	(8.3)	-46	117	170	-31	
Indonesia		14.8	15.0	(0.2)	-1	5.5	5.2	0.3	6	70	73	-4	
Japan		13.4	12.5	0.9	7	8.3	8.1	0.2	2	146*	144*	1	
Philippines		21.4	21.5	(0.1)	-	8.9	8.9	-	-	136	135	1	
Singapore		19.9	28.1	(8.2)	-29	10.6	16.8	(6.2)	-37	167	255	-35	
Vietnam		28.7	26.8	1.9	7	18.6	17.1	1.5	9	129	142	-9	
A.1		129.5	145.2	(15.7)	-11	A.1	62.7	75.1	(12.4)	-16	121	149	-19

* refers to serviced residences in Japan, excludes rental housing

For the 9-month period ended 30 Sep 2009 ("YTD Sep 2009"), revenue, gross profit and REVPAU decreased by 11%, 16% and 19% respectively as compared to the 9-month period ended 30 Sep 2008 ("YTD Sep 2008"). REVPAU declined by S\$28 from S\$149 in YTD Sep 2008 to S\$121 in YTD Sep 2009, driven by reduction in both average daily rates and occupancies at the Group's serviced residences.

9. PROSPECTS

The severe challenges posed by the global economic downturn to the hospitality industry have eased. The 3Q 2009 operating performance of the Group's portfolio reflected further signs of stabilisation in hospitality demand.

While we remain cautious over the pace and extent of recovery, we are confident of the longer-term growth in the markets in which we operate. To ride on the expected upturn in demand, we have accelerated our asset enhancement initiatives for selected properties.

The Group's operating performance in 2009 is expected to be profitable but lower than 2008.

10. Confirmation pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and REIT (comprising the balance sheets as 30 September 2009 and the results of the business, consolidated statement of total return, consolidated cash flow statement and changes in equity for the nine months ended 30 September 2009, together with their accompanying notes), to be false or misleading in any material respect.

On behalf of the Board
Ascott Residence Trust Management Limited

Lim Jit Poh
Director

Lim Ming Yan
Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
Ascott Residence Trust Management Limited
(Company registration no. 200516209Z)
As Manager of Ascott Residence Trust

Lam Chee Kin / Kang Siew Fong
Joint Company Secretaries

Singapore
28 October 2009